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## Missouri Public Service Commission

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FCC MAIL BRANCH

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

RE: CC Docket No. 92-77 - In the matter of Billed Party Preference  
for 0+ InterLATA Calls

Dear Secretary Searcy:

Enclosed are an original and six copies of COMMENTS OF THE  
MISSOURI PUBLIC SERVICE COMMISSION for filing in the above-  
referenced matter.

Please return the extra file stamped copy in the enclosed  
self-addressed, self-stamped envelope. Thank you for your  
attention to this matter.

Sincerely,

Colleen M. Dale  
Senior Counsel  
314-751-7431

CMD:sgl

Enclosures

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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY  
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JUL 2 1992

In the Matter of

Billed Party Preference  
for 0+ InterLATA Calls

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FCC MAIL BRANCH  
CC Docket No. 92-77

COMMENTS OF THE MISSOURI PUBLIC SERVICE COMMISSION

In its NOTICE OF PROPOSED RULEMAKING in this docket, the Federal Communications Commission (referred to as the "FCC") requested comments concerning the merits of an automated "billed party preference" routing system for certain interLATA traffic. The Missouri Public Service Commission (referred to as the "MoPSC") supports the concept of implementation of such a system, and encourages the FCC to continue to pursue implementation.

I. AFFORDING CONSUMERS A PRESUBSCRIBED CHOICE OF CARRIER IS PREFERABLE WHEN IT IS NOT COST PROHIBITIVE

The MoPSC strongly supports the element of choice that billed party preference would afford consumers. We note that there continues to be an unacceptably high level of confusion among consumers concerning the placement, billing and carriage of operator-assisted interLATA calls. While the passage of time may indeed make the dialing

of access codes more familiar to callers, there will always be callers who do not understand the access codes and instances in which access codes are inapplicable. Moreover, there continues to be confusion, even among those consumers with dialing sophistication, about which carrier actually handles the call. Finally, as the FCC presently allows consumer choice to be circumvented through the automatic "dialing around" by operator service providers, even highly sophisticated consumers may have their choices thwarted. Although increased sophistication may ease some of the present problems, only in a system such as billed party preference, in which the chosen carrier handles the call virtually automatically, will those problems be reduced to an acceptable level.

Although there will be significant costs associated with the implementation of billed party preference, the costs do not appear to be prohibitive in light of the anticipated benefits the system will provide. Much of the hardware and software required for billed party preference, including signalling system seven (referred to as "SS7"), is already in place in Missouri, or will be within the next few years.<sup>1</sup> In addition, much of the data base the local exchange companies would use in order to determine how to route calls has already been built.<sup>2</sup> The costs associated with both SS7 and the data base have already been

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<sup>1</sup> Based on the information provided to the MoPSC in comments submitted In the Matter of the Proposed Rule 4 CSR 240-32.100, Docket No. TX-92-149, (Provision of Basic Local and Interexchange Telecommunications Service).

<sup>2</sup> For example, according to tariffs filed with the MoPSC, if approved, subscriptions would be available to the Line Identification Data Base of Southwestern Bell Telephone. See Tariff File No. 9200491, filed May 11, 1992; proposed effective date June 29, 1992, extended to July 18, 1992.

addressed and have been attributed to other uses, although particularly with regard to SS7, the deployment was viewed as an infrastructure upgrade, and not a deployment solely attributable to the particular use that served as the impetus for such deployment.<sup>3</sup> The reason for considering the deployment of SS7 to be an infrastructure upgrade was that the deployment would have widespread applications, including allowing the local exchange companies to offer local service more efficiently. Certainly SS7 does have a broad application and it makes strong economic sense to use SS7 to its fullest, by applying every application to it, including billed party preference. However, we note that there are additional costs that can and should be attributed directly to billed party preference. First, we note that there may be a need for an operator service system version of SS7 to be deployed to the end office level in order for billed party preference to function efficiently. Those costs, which do not appear to be prohibitive if they include only the enhancement, and not the cost of the SS7 itself, are incurred solely as the result of implementation of billed party preference. Second, we note that although the Line Identification Data Base has been built for much of Missouri, there are additional systems enhancements that will need to be made to accommodate billed party preference (as with SS7, we anticipate that the cost of enhancements to accommodate billed party preference will be extremely small when compared to the cost of building the actual data base).<sup>4</sup> Those costs that can be attributed

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<sup>3</sup> See In the Matter of Provision of Access for 800 Service, CC Docket No. 86-10, Adopted: August 1, 1991; Released: September 4, 1991; Paragraph 37.

<sup>4</sup> The MoPSC wishes to stress that the implementation of billed party preference is an additional use of an existing technology, and that the additional costs of adding billed party preference to an existing network that includes both SS7 and the Line Identification Data Base are likely to be relatively small. Our comments do not attempt to address the costs of

directly to enhancements to the existing systems that will be required before billed party preference can be properly implemented should be attributed to billed party preference and the costs associated with it should be allocated accordingly, through the separations process.

As to the various levels of implementation described in paragraph 25 of the notice, it appears that there would be small incremental costs going from level to level, and that those increments would become smaller still with each level. Furthermore, the MoPSC is concerned that to extend billed party preference to the first level (interLATA payphone traffic alone) and to exclude the second level (all interLATA public phone traffic) would be inequitable, as the reasons for implementation, including reducing consumer confusion, apply to both levels. Therefore, the MoPSC recommends that all four levels be included in the initial implementation.

Concerning the various billing mechanisms that may apply, such as including foreign issued calling cards and commercial credit cards (paragraph 34 of the notice) inclusion at this time may well be cost prohibitive. Including such mechanisms would appear to require vastly enlarging the database, as well as involve significant logistical difficulties. The MoPSC recommends that billed party preference be implemented without inclusion of these billing mechanisms and that they be included in a later version, presuming all of the difficulties can be remedied.

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SS7 and the Line Identification Data Base, nor do we wish to imply that we believe that the costs of those systems are insignificant.

## **II. BILLED PARTY PREFERENCE WOULD NOT SIGNIFICANTLY INCREASE DIFFICULTY IN PLACING INTERLATA CALLS**

The MoPSC agrees that without SS7 there may be some increase in access time, although the increase<sup>5</sup> probably will be insignificant to most consumers. However, as we have stated, it appears that SS7 will be significantly deployed in the near future and will eliminate this concern, as well as the concern about providing call information twice. The MoPSC is concerned that all companies handling traffic under billed party preference be provided, along with the call, any information from the data base necessary to complete and bill the call, in order to reduce the need for consumers to repeat information.

## **III. BILLED PARTY PREFERENCE IS CONSISTENT WITH A HIGH LEVEL OF COMPETITION FOR INTEREXCHANGE CARRIERS, OPERATOR SERVICE PROVIDERS AND TRAFFIC AGGREGATORS**

The MoPSC believes that the use of proprietary calling cards is consistent with billed party preference as defined in the notice, as the digits automatically identify the interexchange carrier of choice, and that information can be transmitted with the call to properly route to the carrier of choice. In addition, billed party preference will cause carriers to focus their competitive efforts on the end user. Further, billed party

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<sup>5</sup> This assumes the four or fewer seconds increase discussed in the notice, which we do not question.

preference will allow small interexchange carriers and resellers to compete more effectively, even though they do not possess sufficient resources to issue their own calling cards.

The MoPSC notes the recently established provision of \$6.00 monthly compensation for access code dialing on each payphone.<sup>6</sup> The MoPSC anticipates that the implementation of billed party preference will reduce the need for access code calling, thereby affecting the compensation rate.<sup>7</sup> Therefore, the MoPSC agrees with the FCC's stated intent to monitor this situation. The MoPSC believes that the market should determine which businesses succeed, based on their ability to provide good quality service at a reasonable price. It is paramount that active competition be encouraged in the payphone industry, and that the compensation rate neither unduly promote nor discourage that industry.

The MoPSC supports allowing the primary operator services provider to choose the secondary provider, in the expectation that this will promote partnership rings among small providers, which should foster competition and improve service. We believe it would be contrary to the interests of both the public and operator service providers to

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<sup>6</sup> See Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket No. 91-35, Report and Order and Further Notice of Proposed Rulemaking, 6 FCC Rcd 4736 (1991).

<sup>7</sup> We assume that billed party preference will exacerbate the problems that payphone providers have experienced when consumers have dialed access codes directly, as the billed party preference system will automatically connect most payphone users to their carrier of choice, instead of to the presubscribed operator service provider for that location.

permit operator service providers to use automatic dialing machines to dial around billed party preference. To circumvent consumer choice and complete information is contrary to a healthy market for these services. We do not expect that billed party preference will eliminate operator service providers, although we do expect that the increasing consumer sophistication noted above has already served to discipline the market to provide better and less expensive service, a situation likely to intensify under billed party preference.

#### IV. IMPLEMENTATION

The MoPSC notes that many of the costs associated with the implementation of billed party preference are relatively fixed. However, among the various methods of ascertaining the consumer's choice of carrier, there is a great disparity of cost. The MoPSC sees no need to go to the vast expense of balloting consumers as to their choice of 0+ carrier, since they have already been balloted for their 1+ carrier. As long as consumers have the opportunity to choose a different 0+ carrier, the data base should be loaded with the consumer's 1+ carrier, and the system permitted to begin operation on that basis. Non-equal access consumers who will have occasion to place calls from equal access locations should be notified that they have the opportunity to choose their 0+ carrier for those instances when they are in certain areas, but the system should default to the presubscribed carrier of a calling location when the consumer is not a participant in billed party preference.



The billed party preference system will result in some increase in costs, although as was mentioned in the notice, those costs have yet to be assessed with any degree of precision. While we anticipate that those costs will be relatively small, we believe care should be taken in determining how those costs will be allocated between the state and interstate jurisdictions. The FCC should continue to examine the costs and benefits of the proposal and should work together with the MoPSC and other states in arriving at an allocation of those costs. We recommend that this interaction be within the context of a federal-state joint board, as provided under 47 U.S.C. §410(c).

The MoPSC believes that billed party preference will result in many benefits to consumers and is not cost prohibitive. We are aware of no other system that will address consumer needs that could be implemented under current technology. Therefore, we support the FCC's continued investigation of billed party preference in expectation of eventual implementation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

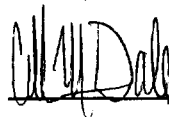
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Dated: July 7, 1992

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document was served by first class United States mail, postage prepaid, on this 1st day of July, 1992, on the persons listed on the following service list:



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